

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

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SUBJECT : KUOMINTANG FACTIONS AND AMERICAN AID TO FAR EASTERN NATIONAL GOVERNMENT

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Leading figures in the Chinese Nationalist Government are an eclectic group of such varied educational background and resulting philosophies as well as personal loyalties, that it is scarcely surprising that the Kuomintang has been plagued with clique dissensions for several decades. Disregarding other considerations, the mere fact that in the Government there are men in key positions whose opinions and attitudes were formed in large measure through study in Germany, France, England, the United States, Japan or Russia, and who reflect their training in varying degree in their political convictions and methods of administration, would make unanimity of approach in the governing of Free China difficult of attainment. The seriousness of this problem has varied through the years, but tends to be intensified both in times of great adversity and in times of increasing good fortune. It is not surprising that the coming of more substantial American aid has heightened the tempo of the struggle between the two large categories into which Kuomintang leaders may be roughly divided.

Under optimum conditions such diversity of background and resulting political convictions might contribute to strength. Such conditions obviously do not exist in China and probably cannot for many years. Most observers seem to agree that President CHIANG for years has used this situation of clique dissension primarily as a convenient means of consolidating and perpetuating his own control. Since this procedure is hardly foreign to Chinese tradition, it is not surprising; it is not even necessarily alarming in its present trends, but due to American interests involved in the political health of Formosa, it does bear close watching. There is nothing basically new in present trends, but in addition to the impact of the MAAG, the advancing age of the Generalissimo and the resulting maneuvering for positions of power introduce something of a new wrinkle in an old problem.

The Two Large Groups Within The Kuomintang.

Members of the truly confusing array of smaller cliques within the Kuomintang may be grouped with some justification into two large categories: (1) those who believe that the problems which their country faces can best be met through some form of democratic approach, with authority in government resting upon the consent and support of the people, and guaranteeing such civil rights and freedoms of expression and action as may be consistent with the

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political maturity of the people; and (2) those who believe, or profess to believe, that China can be pulled through its present crisis only through the strict discipline and regimentation which can be imposed only through a more or less totalitarian system. There are important individuals who are difficult to classify even on this broad basis, but for the purpose of noting power trends the above division seems to be useful and valid. For convenience in this report the two groups will be tagged "democratic" and "totalitarian", with the admission that this oversimplification may "do too much honor" to the first group and may be something of an injustice to individual members of the second.

Group 1. In general the "democratic" group favors the carrying out of certain reform programs drawn up or already in partial execution, which were designed primarily to court American friendship and enlist American aid for the Nationalist cause. There are few in top positions who have any appreciable conception of what democracy is as it is practised in America. A fair number of lower level government workers speak of democracy apparently with both conviction and understanding, but their voices do not carry far, and it is less politic to give free expression to such sentiments (if this involves criticism of the present order) than was true even eight months ago. There are a number of men in position of influence and responsibility, however, who even with a limited conviction and understanding with respect to democracy feel that China should earn the friendship of a powerful friend by honest cooperation, learning from the friend, and in so far as feasible proving its worth on the basis of the friend's scale of values. They consider this approach as very practical, and as the only basis of lasting cooperation.

Most of the older men in this group are of the scholarly type who in past years were at the forefront of the progressive elements. Many of these have now lost their courage, and are either afraid to speak up or are silenced by a feeling of personal loyalty to the Gimo and others. This type of loyalty may often involve what most Americans would consider intellectual dishonesty to the point of being unpatriotic, but it makes sense to the old-style Chinese. General CHANG Ch'un, a top adviser to the President, is an outstanding example of this. The Reporting Officer has come to know General Chang fairly well through seeing him weekly at the President's church service, and elsewhere. On one occasion the General was talking very frankly, and I asked him if he felt that he could report to the Generalissimo on actual conditions, with frankness and thoroughness. He smiled and changed the subject in a friendly but pointed manner, which answered my question.

Also in this first group are usually listed Dr. WANG Shih-chieh, Secretary-General of the President's Office, Foreign Minister YEH, Mr. Lei CHEN (李 登 浩), Adviser to the President,

and Mr. HUANG Shao-ku, (Chief Secretary of the Executive Yuan. Dr. Wang Shih-chieh is roughly in the same category as General Chang: scholarly, principled, but often silenced by a sense of intense personal loyalty to the Gimo. Dr. Yeh understands democratic principles and probably believes in them more than any of the others listed here, but it is generally agreed among Chinese that he has comparatively little influence with the President, and is not completely trusted by him. Mr. Lei Chen is doubtless the most outspoken member of the "democratic" group. He is essentially an old-style Chinese with little conception of what democracy is, but he is very outspoken about the evils of the one-party system and the growth of secret police power. He is a born fighter. He makes enemies, but relatively few considering his brusque personality. (His name, which means "Lightning Quake", fits him.) He favors the growth of the two minor parties, and has many friends in both. He is not above somewhat questionable tactics in furthering his pet cause of the moment, but he is serving on the political scene as a gadfly to be reckoned with. The Reporting Officer does not know Mr. Huang. Several sources have indicated that he was put in his present position by the President to report on the Premier, and to aid in checking his power to some extent. Mr. Huang seems to be a thorn in the Premier's side, just as Governor WU has to bear with P'ENG Meng-ch'i as his Deputy Commander of the Peace Preservation Headquarters.

In recent times the "democratic" group was at the height of its power in the summer and fall of 1950. Its power had gradually grown in times of adversity, when it claimed that its program would bring salvation through cultivating American friendship. Most of the reforms of the past two years on Formosa, which are undeniably tangible and real, and therefore gratifying and encouraging despite their limited and superficial nature in some instances, seem to have been in large part the result of efforts of members of this group, using the back-to-the-wall argument as a lever for their cause.

On the surface it would seem that the position of this first group would stand to be strengthened with the coming of increased American aid and advice to Free China. This group has attempted to sell itself (primarily, of course, to the Generalissimo but also to the public) as the chief prompter of increased American attention. It has not met with a very full measure of success. Although the power of this group was greatest last summer and fall, it could scarcely be said to have been the predominant influence in government. During the time when the power of this group was at its height the Kuomintang Reform Committee came into being. From its name and platform, the Committee was taken by many at the time to be another manifestation of growing forces of genuine reform in Formosa. It is now reasonably clear that

the Kuomintang Reform Committee is not to such a committee for reform as a "Committee to Reform the Kuomintang". It has streamlined many aspects of party organizations which were formerly cumbersome, and has concentrated on tightening party discipline. Critics of the government are often denounced in its name. At the coming of the LAAG, those who are of the one-party "totalitarian" persuasion found themselves stronger than before in organization, and set about in their turn to convince the powers that be that their internal strengthening of the party and resulting reforms were responsible for the Nationalist change of fortune. Neither group has won the battle yet, but there are many indications that in the past few weeks the second group has gained at the expense of the first.

Group 2. The "Totalitarian" group is fond of saying that the mainland was lost primarily because of a lack of discipline within the Government. While abhorring Communism itself, they point to the supposed efficacy of certain totalitarian forms used by the Communists with such surprising success, and often claim that even partial bowing to democracy on the mainland (the Constitution, laissez-faire in business, etc.) was a major cause of Nationalist failure. Many of these men are sincere in this conviction. Some in this group, as indeed in the first group, give every appearance of being selfish opportunists, and often lack ability. Many, if not most, however, seem to be sincere patriots who want centralized control primarily for the good of the country and its people, and to pull China through the present crisis imposed by the Communist danger. (At the same time it cannot be said that the security which one-party control gives them is unwelcome.) The Reporting Officer has talked with scores of government workers of this general persuasion, from the top on down, who are hard-working and frugal, and who talk earnestly and realistically along the lines that "this is Free China's last chance, and we must make it good." Some of these admit to neglect of duty and prodigality in the past, but excuse themselves by saying they were "caught in the system, but are now determined to change the system". This group has given some impetus to recent reforms, and has even joined hands with the first group in effecting such reforms as do not involve a weakening of centralized controls.

There is general agreement that the Generalissimo's elder son, CHIANG Ching-kuo, is the leading light in the "totalitarian" group. He is said to be determined to unify party, army and secret service under one control. He is in a good position to work toward this end, since he is the head of the Political Department of the Ministry of National Defense, a key figure in the Kuomintang Reform Committee, and has a powerful voice in the secret service activities of the Peace Preservation Headquarters and the Ministry of the Interior.

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Among the most active and powerful of the members of this group at present, in addition to "The Prince", are Premier CH'EN Ch'eng, General F'ENG Meng-ch'i (), Deputy Commander of the Peace Preservation Headquarters, and General T'ANG Tsung (), Political Vice Minister of the Ministry of Interior. Probably the majority of influential men in the government should be listed as belonging more to this second group than to the first, either by conviction or by supposed expediency, but many of them decry the extreme methods often employed by those named above. Premier Ch'en has a good name among many Formosans for fairness, and they admire the frugality in his personal life. He is recognized as being totalitarian in orientation, but this seldom disturbs Formosans in principle. He is also generally recognized as being ruthless in bringing about justice as he sees it, but the Chinese and native Formosans are used to such methods, and do not object unless they strike close to home. Premier Ch'en's influence in the Peace Preservation Headquarters is not widely known, and Governor Wu receives the blame for most of the allegedly extralegal or capricious acts of its police. General P'eng is widely disliked on the Island. He is, however, considered by most Embassy informants to be merely the tool of the Premier and Chiang Ching-kuo. General T'ang is devoting his attention more and more to Mainland guerrilla activities and intelligence on the Chinese Communists. General T'ang is known to have frequent contact with Chiang Ching-kuo, and it is reported that his chief assignment at present is to work toward unification of Mainland guerrilla units under the Kuomintang banner.

Position of President Chiang.

The Generalissimo is not likely to back either of these two factions unreservedly, since such action would tend to destroy a convenient means of checking power. Even within the "totalitarian" group Chiang Ching-kuo and Premier Ch'en serve as a check on each other--a sort of deceleration mechanism in the build-up of power necessary to succeed the Gimo. Many Chinese close to the inner workings of the Government are convinced that the President desires that his elder son succeed him, but that he would not be in position to do so should the occasion arise soon. Meanwhile, Premier Ch'en seems to be the most likely candidate, should the President's position become vacant for any reason. During the past two years the President's son has been gradually made a member of the Big Three in the Nationalist Government: the President, the Premier, and "The Prince". There is a saying in Government circles now that any important measure (even to passing on entry permits of anyone of significance) must "pass three gates" (), by which is meant that these three men must agree. While Chiang Ching-kuo is kept in the background for the present so far as the public is concerned, several councilors to the President, cabinet members and military leaders have

reported that he actually reviews more documents of importance than does the Premier, and that the Gimp, especially when busy, has a habit of saying, "See Ching-kuo about it."

Despite the unlikelihood of the President's giving full support to either faction, there is some substantiation for the insistent claims of several usually reliable informants (chiefly in the KMT "democratic" group, the two minor parties and in the military) that the "totalitarian" group lately feels itself to be more snugly in the saddle. This position cannot be clearly documented by pointing out any very dramatic move in the direction of totalitarianism. Such can hardly be expected to occur at a time when American observers are on the increase in Formosa. Certain quiet trends noted from last winter to the present, however, have tended in the direction of more unified control in government. Among these trends may be noted increased KMT interference in the latter half of the popular elections held late in 1950 and early in 1951 (Embdes 128 March 5), strengthening of political control in the military (WEEKA 39, September 22, 1950), the President's recent excoriation of the Control Yuan for criticizing certain Government officials and of the Legislative Yuan for the breadth of its interests (WEEKA 14, April 7), difficulties of some of the more outspoken publications (Embdes 317, June 16) and obstacles to Governor Wu in the execution of some of his programs to inject more democratic processes into the local scene (Embdes 304 June 11).

Governor Wu's Position.

Governor K. G. Wu was not listed in either of the groups discussed above. In many ways he is the most difficult prominent figure in Free China to tag with certainty. He is considered by most foreign observers to be safely in the "democratic" camp. It is the strong tendency of the Reporting Officer to consider him as belonging in this group (especially just after a conversation with the personable and persuasive Governor), but a number of Chinese in both of these groups and in the minor parties, who have proven to be usually accurate in fact and opinion in the past, insist that Governor Wu's democratic activities are primarily a front which is carefully laid and largely controlled by forces in the "totalitarian" camp. Regardless of Governor's convictions, and regardless of the possibility that he has an assigned role which may or may not conform to his convictions, he has been instrumental in bringing about creditable progress in provincial administration, and his contributions to the carrying out of the elections appear to have been on the right side. He is not liked by native Formosans, but it would be difficult for them to like anyone in his position under present circumstances. Formosans claim that he refuses to use talented and trained native Formosans in positions of responsibility, but objective observers are hard put to find

any appreciable number of Formosans in that category on the Island--the Japanese regime did not produce many. It is true that the Nationalist regime is not very assiduous in correcting the deficiency. It is often alleged by both mainlander and Formosan critics that Governor Wu is liked by foreigners because of his "western veneer", fluency in English and "convincing lip service to democracy". They often point to Governor Wu's "high living" and to Madame Wu's alleged close connections with the SOONGS and H. H. K'UNG as evidence that the Governor must "toe the reactionary line". Governor Wu is undoubtedly an able and clever politician, but it is very difficult to believe that he is playing so convincingly a double role to that extent.

Comment.

As one American observer recently put it, the Nationalist Government with respect to the arrival of the LIAAG probably both "points with pride and views with alarm". There is no question but that the arrival of American aid in materiel and advice has boosted the morale of the Nationalists and given new hope to the people of Free China. It is deeply and sincerely appreciated, and that appreciation is frequently expressed by Chinese officials. "Views with alarm" may be too strong a phrase, but the Chinese Government is acutely aware that an increasing number of American eyes are focused on it; there is concern that America may "meddle" in Chinese affairs unduly, with speculation even including a possible American-inspired coup to replace the Gimo and American insistence that the two minor parties be allowed to participate in fact in the Government. Among the less dramatic speculations is the fear that pro-Americanism may rise among the people to the point that the Nationalist Government would be discredited. The trend toward a tightening of centralized control dealt with in this report is probably as much an attempt to hedge against such eventualities as anything else. Allied to this phenomenon, however, is also the very important consideration of combatting Communist infiltration. From all indications the secret police have done a very creditable job of rooting out Communist influence on the Island. That some innocent people have suffered in this attempt is not surprising. It appears that the secret police have not always differentiated carefully between pro-Communist and merely anti-Kuomintang sentiments. This distinction, however, may be more difficult to make than would at first appear, when it is recalled with what success Communists have often exploited and used for their purposes disgruntled groups which may not in themselves be inclined to Communism.

Americans cannot be expected to view with approval a trend toward increased centralization of authority. On the other hand, it is difficult to imagine any forceful steps which the United

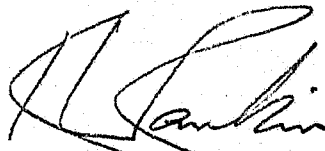
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States could take which would bring about a radical change in the opposite direction, without at least running the risk of creating animosity among a proud and sensitive people, and at the most, of fanning among the people of Formosa to a disruptive extent already existent dissatisfactions with a regime which is now solidly on our side at a critical time. For the short term, it may be that American interests would best be served by frank, friendly cooperation, careful checking to see that our aid is effectively used, and a reasonable demonstration of our respect for Chinese sovereignty. This in general seems to be the approach taken at the present time in American political, economic and military activities with respect to Free China, and the approach appears to be paying off acceptably so far. The very presence of large numbers of American observers on the Island can be expected to have a good effect on the Chinese Government in administration of civic justice. It may be that the "totalitarian" problem is one which fits primarily into the long-term picture, nonetheless important, involving as it does not only the happiness of the Chinese people and the long-term stability of their government, but also affecting as it does the opinion, support and actions of the rest of Asia. Meanwhile, the long-range problem is an appropriate target for the USIS, and for discreet "missionary work" on the part of individual Americans in their contacts with Chinese.

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